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MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 2, 2016/2017

BCP3054 – COMPARATIVE ECONOMICS STUDY (All sections / Groups)

27 FEBRUARY 2017
9.00 a.m. - 11.00 a.m.
(2 Hours)

INSTRUCTIONS TO STUDENTS

1. This question paper consists of 3 pages with 4 structured questions.
2. Attempt **ALL** questions. All questions carry equal marks and the distribution of marks for each question is given.
3. Please print all your answers in the Answer Booklet provided.

Question One (25 marks)

- (a) Performance criteria for economies consist of economic growth, fair income distribution, stability, and viability. However, countries cannot achieve all these criteria at the same time. Achieving one goal often requires sacrificing another goal.

Explain the **negative effects** on any of the **remaining** performance criteria in each of these scenarios:

- (i) If Country A sets a 'fair' distribution of income as its overriding economic goal. (5 marks)

- (ii) If Country A sets rapid economic growth as its overriding economic goal. (5 marks)

- (iii) If Country A sets guaranteed employment to all who are willing and able to work as its overriding economic goal. (5 marks)

- (b) Comment on what is meant by the statement "Regulation as a form of state intervention has its pros and cons". (10 marks)

Question Two (25 marks)

- (a) Explain the **TWO (2)** stages of socialism in relation to the 'dictatorship of the proletariat'. (4 marks)

- (b) Explain the **FOUR (4)** stages faced by transition economies. (16 marks)

- (c) What was the *ABCs of Communism*'s proposal on managing a planned economy? (5 marks)

Continued...

Question Three (25 marks)

- (a) Briefly analyze the THREE (3) advantages and ONE (1) disadvantage ‘Corporations’ face in the United States. (8 marks)
- (b) Discuss the purpose of ‘ruble control’ by giving an example. (8 marks)
- (c) Why do “transnational corporation(s) operating in China … not expect local courts to protect its property rights; rather, it would use [an ‘alternative system’ where] government or party officials – be they local, regional, or national—to act as guarantors of contracts”?

Critically analyze this ‘alternative system’.

(9 marks)

Question Four (25 marks)

- (a) Evaluate the impact of the increasing number of members in the European Union. (10 marks)
- (b) How prevalent is Islamic economics in history and in today’s economy? (9 marks)
- (c) Based on your understanding, does the second economy in the Soviet Union bring more advantages or disadvantages to the country? Elaborate your answer. (6 marks)

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